

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

HYDRO-PHOTON, INC.,
a Maine Corporation

Plaintiff,

v.

MERIDIAN DESIGN, INC., a California
Corporation

Defendant.

Civil Action No. 05-11240 GAO

**PLAINTIFF HYDRO-PHOTON, INC.'S REPLY TO DEFENDANT MERIDIAN
DESIGN, INC.'S ANSWER AND COUNTERCLAIMS**

Plaintiff, Hydro-Photon, Inc. ("Hydro-Photon"), hereby replies as follows to the Counterclaims of Defendant, Meridian Design, Inc. ("Meridian") as set forth in Meridian's Answer and Counterclaims:

PARTIES

1. Hydro-Photon is informed and believes that Meridian Design, Inc. is a California Corporation with its principal place of business at 2033 San Elijo Avenue, Cardiff, California, and on that basis admits the same. Hydro-Photon denies all other allegations of paragraph 1 of the Counterclaims.

2. Hydro-Photon admits that it is a Maine corporation having a principal place of business at 262 Ellsworth Road, Blue Hill, Maine 04614. Hydro-Photon denies all other allegations of paragraph 2 of the Counterclaims.

JURISDICTION AND VENUE

3. Hydro-Photon admits the allegations of paragraph 3 of the Counterclaims.
4. Hydro-Photon admits the allegations of paragraph 4 of the Counterclaims.
5. Hydro-Photon admits that Meridian's Counterclaims purport to arise under the

Declaratory Judgment Act and the patent laws of the United States. Hydro-Photon further admits that the Counterclaims are compulsory and that this Court has jurisdiction over them. Hydro-Photon denies all other allegations of paragraph 5 of the Counterclaims.

6. Hydro-Photon admits the allegations of paragraph 6 of the Counterclaims.

COUNT I

Declaration of Noninfringement

7. Hydro-Photon repeats its reply to paragraphs 1-6 above as though specifically realleged herein.

8. Hydro-Photon denies the allegations of paragraph 8 of the Counterclaims.
9. Hydro-Photon denies the allegations of paragraph 9 of the Counterclaims.

COUNT II

Declaration of Invalidity

10. Hydro-Photon repeats its reply to paragraphs 1-9 above as though specifically realleged herein.

11. Hydro-Photon denies the allegations of paragraph 11 of the Counterclaims.
12. Hydro-Photon denies the allegations of paragraph 12 of the Counterclaims.

FIRST AFFIRMATIVE DEFENSE

1. Meridian's Counterclaims fail to state a claim upon which relief can be granted because it lacks specificity regarding the alleged invalidity of the '424 patent.

WHEREFORE, Hydro-Photon demands judgment as follows:

- A. dismissing the Counterclaims with prejudice;
- B. entering judgment in favor of Hydro-Photon on the Counterclaims;
- C. awarding Hydro-Photon its costs and disbursements in this action, including reasonable attorneys' fees; and
- D. granting to Hydro-Photon such other and further relief as this Court may deem just and proper.

JURY DEMAND

Hydro-Photon demands a trial by jury on all issues triable of right by a jury which are raised for determination by the Counterclaims or which may be raised by any pleading or amended pleading to be filed herein.

Respectfully submitted,

Dated: August 2, 2005

/s/ Kevin Gannon
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